

FISCAL NOTE

SB 1643 - HB 1421

April 20, 1999

SUMMARY OF BILL: Limits the amount of TennCare revenues to 10% that an MCO could keep for administrative expenses and profit. The bill also requires the Commissioner of Commerce and Insurance, in consultation with the Commissioner of Health, to promulgate a standard TennCare claims process, including forms, and a standard appeals process. MCOs are prohibited from willfully withholding, denying, or delaying payment to a health care provider for TennCare related services when the provider complies with an MCO's claims procedure. Any MCO that violated these requirements would be subject to financial penalties or license revocation or suspension.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Not Significant

Estimate assumes:

- a not significant increase in state expenditures to develop a standardized claims and appeals process.
- restricting the amount of administrative expenses and profit to 10% will not significantly reduce the number of MCOs willing to provide TennCare services.
- cost to MCOs for converting to a standard claims and appeals process will not be significant enough to impact capitation rates.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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